

## **Introduction to Case Studies**

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### **Public Housing Program and Housing Choice Voucher Program**

#### **CERTIFICATION PROCESS**

- There are three primary types of certifications that all follow a basic process; they include:
  - Initial certification
  - Annual recertification
  - Interim recertification
- The family completes paperwork documenting their family composition, income, assets, and allowances and deductions.
- The PHA reviews the paperwork and interviews the family. The family will sign verification release forms authorizing the PHA to obtain required information to complete their certification.
- The PHA photocopies documents provided by the family to support and prove family statements to the PHA. The PHA then sends out verification forms or communicates directly with the third party provider.
- Third party verification forms are returned to the PHA and compared with the family statements and family provided documents. The PHA resolves any differences in documents by calling the third party source and/or family.

- Finally, the PHA enters the information into the computer and/or calculates manually. Documents are printed for the family's case file and the PHA transmits the data to PIC.
- PHA transmissions to PIC occur monthly for all families who were certified/recertified.

## TRAINING FORMAT

- We have reviewed the program basics. Next, we have to focus on the difficult areas of rent calculation. Case studies focus on Rent Calculation problem areas and simulate the process a reviewer would undertake at the PHA.
- The HUD reviewer's role for RHIIP is to see that the steps in the process that affect Rent Calculation have been done correctly. In this training program we will:
  - Show you typical documents
  - Focus on the difficult areas to calculate
  - Simulate what you will do in the field
- In each case study, we will:
  - Lecture on the regulations as they pertain to the individual topic we will be highlighting.
  - Review the HUD review worksheets pertinent to that topic.
  - Calculate the part of the case relevant to that topic on the HUD worksheets.
  - When the case is completed, find the errors on the PHA's 50058form, using the Tenant File Review Checklist.
  - Review a correct HUD 50058 form.

## **Introduction to Case Studies**

### **PHA Information**

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## PUBLIC HOUSING



### Welcome to Cubzide City PHA

#### An Overview

Cubzide City is a close-in suburban city located within a larger metropolitan area of approximately 1.5 million residents. Cubzide City (known by longtime residents as "CC") is aging -- that is, both its housing stock and its families are aging in place. Younger residents tend to leave the area if they can to seek economic opportunities in other areas. The city lost population during the 1980s, when more affluent families moved to newer suburbs, but is now beginning to show signs of gentrification as those same families tire of the commute. Certain neighborhoods within CC have become downright pricey!



#### ABOUT CUBZIDE's PUBLIC HOUSING PROGRAM

Cubzide City Public Housing Agency's jurisdiction covers zip code 55555. The PHA currently serves 800 families.

Attached are excerpts from the PHA's Admissions and Occupancy Policy relevant to verifications and the calculation of tenant rent. Included are charts containing information about their Public Housing developments. Cubzide City PHA's has 500 units, information as follows:

Public Housing	
Total Units	500
Designated Elderly	100
Family	400

## **PUBLIC HOUSING**



### **CUBZIDE CITY PHA Admissions and Continued Occupancy Policy**

*(Due to the volume of information contained in Cubzide City PHA's  
ACOP, only relevant excerpts are provided)*

#### **Chapter 2 – Eligibility for Admission**

##### **H. Mandatory Social Security Numbers (CFR 5.216, 5.218)**

Families are required to provide verification of Social Security Numbers of all family members age 6 and older, if the Social Security Administration has issued them a number. Failure to furnish verification of social security numbers is grounds for denial/termination.

#### **Chapter 6 – Factors Related to Total Tenant Payment and Family Share**

##### **K. Determining the Value of Assets**

The current balance will be used to determine the market value of assets with the exception of checking accounts. For checking accounts, the PHA will use a 6-month average balance.

##### **L. Assets Disposed of for Less than Fair Market Value**

The PHA must count assets disposed of for less than fair market value during the two years preceding certification or reexamination. The PHA will count the difference between the market value and the actual payment received in calculating total assets. Assets disposed of as a result of foreclosure or bankruptcy, divorce or separation, are not considered to be assets disposed of for less than fair market value. The PHA's minimum threshold for counting assets disposed of for less than Fair Market Value is \$1,000.

##### **M. Allowances and Deductions**

Birth Certificates will be used for the purposes of verifying age for the purposes of allowances and deductions.

##### **O. Child Care Expenses**

Child care expenses for children may be deducted from annual income if they enable an adult to work, attend school, or to actively seek employment. The maximum child care expense allowed that enables an adult to work cannot exceed the amount earned by that adult member. If unable to otherwise determine, the person enabled to work will be the adult member of the household who earns the least amount of income from working.

## PUBLIC HOUSING

### P. Flat Rents and Utility Allowance Schedules

For each public housing dwelling unit, a flat rent amount has been established based on the PHA determined rental value of the unit. There are no dwelling unit ceiling rents.

For Income Based Rents, the PHA has established, for each dwelling unit in public housing, a utility allowance for the dwelling unit for tenant-provided utilities. The Utility Allowance is based on the monthly cost of reasonable consumption of utilities in an energy conservative household, not on a family's actual consumption.

### Flat Rents and Utility Allowance Schedules

DEVELOPMENTS AND RESPECTIVE RENT INFORMATION BY BEDROOM SIZE						
PROJECT		0BR	1BR	2BR	3BR	4BR
<b>Brown Gardens</b> <b>(150 Family units)</b>	# Units	0	30	70	30	20
	Flat Rent	-	400	450	500	550
	Utility Allowance	-	60	75	80	90
<b>White Swan</b> <b>(250 Family units)</b>	# Units	0	40	170	25	15
	Flat Rent	-	600	750	900	1050
	Utility Allowance	-	0	0	0	0
<b>Blue Horizon</b> <b>(100 Elderly units)</b>	# Units	50	50	0	0	0
	Flat Rent	300	350	-	-	-
	Utility Allowance	25	35	-	-	-

## PUBLIC HOUSING

### Q. Income, Allowances and Total Tenant Payment

Established Minimum Wage: For purposes of determining if a family member has been previously unemployed, the established minimum wage (greater of Federal, state or local) is **\$6.00 per hour**.

Minimum Rent: Minimum rent is **\$25**. When applied, minimum rent refers to the Minimum Total Tenant Payment and includes the combined amount a family pays towards rent and/or utilities.

Deductions: Cubzide City PHA has no Permissible Deductions.

Income from Assets Calculation: The HUD-approved Passbook rate, used for purposes of determining imputed income from assets when the cash value of all assets exceeds \$5000, is: **2.0%**.

Total Tenant Payment: When basing Total Tenant Payment (TTP) on a family's Monthly Adjusted Income (MAI), Cubzide City uses 30% of MAI.

Utility Reimbursement Payments (URPs): URPs will be mailed directly to the family.

## Chapter 7 – Verification Procedures

### A. Employment Income

Verification forms request the employer to specify the:

- Dates of employment
- Amount and frequency of pay
- Date of the last pay increase
- Likelihood of change of employment status and effective date of any known salary increase during the next 12 months
- Year to date earnings
- Estimated income from overtime, tips, and bonus pay expected during the next 12 months.

### F. Verification of Disability

The PHA will verify disabilities in accordance with 24 CFR 5.403.



## **PUBLIC HOUSING**

### **Chapter 12 - Recertifications**

#### **C. Reporting Interim Changes**

Program participants must report all changes in household composition to the PHA between annual reexaminations.

The PHA will conduct interim reexaminations when families have an increase in income. Families will be required to report all increases in income and assets within 5 business days of the increase.

Participants may report a decrease in income and other changes, which would reduce the amount of tenant rent, such as an increase in allowances or deductions. The PHA must calculate the change if a decrease in income is reported.

#### **D. Procedures when Changes are Reported in a Timely Manner**

The PHA will notify the family of any change in the family's rent to be effective according to the following guidelines:

Increases in the Tenant Rent are effective on the first of the month following at least thirty days' notice.

Decreases in the Tenant Rent are effective the first of the month following that in which the change is reported. However, no rent reductions will be processed until all of the relevant facts have been verified.

Notes

## HOUSING CHOICE VOUCHERS



Welcome to Cubzide City PHA

### **An Overview**

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### **ABOUT CUBZIDE's HOUSING CHOICE VOUCHER PROGRAM**

Cubzide City Public Housing Agency's jurisdiction covers zip code 55555. The PHA currently serves 800 families.

Attached are excerpts from the PHA's Administrative Plan relevant to the calculation of family rent. Included are portions of their Payment Standard Schedule and Utility Allowance Schedule. Cubzide City's Payment Standards were last adjusted November, 2000.

## HOUSING CHOICE VOUCHERS



### **CUBZIDE CITY PHA Administrative Plan**

*(Due to the high volume of information contained in Cubzide City PHA's Administrative Plan, only relevant excerpts are provided)*

#### **Chapter 2 – Eligibility for Admission**

##### **H. Mandatory Social Security Numbers (CFR 5.216, 5.218)**

Families are required to provide verification of Social Security Numbers of all family members age 6 and older, if the Social Security Administration has issued them a number. Failure to furnish verification of social security numbers is grounds for denial or termination of assistance.

#### **Chapter 6 – Factors Related to Total Tenant Payment and Family Share Determination**

##### **Income and Allowances (24 CFR 5.609)**

##### **K. Determining the Value of Assets**

The current balance will be used to determine the market value of assets with the exception of checking accounts. For checking accounts, the PHA will use a 6-month average balance.

##### **L. Assets Disposed of for Less than Fair Market Value**

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## HOUSING CHOICE VOUCHERS

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Birth Certificates will be used for the purposes of verifying age for the purposes of allowances and deductions.

### O. Child Care Expenses

Child care expenses for children may be deducted from annual income if they enable an adult to work, attend school, or to actively seek employment. The maximum child care expense allowed that enables an adult to work cannot exceed the amount earned by that adult member. If unable to otherwise determine, the person enabled to work will be the adult member of the household who earns the least amount of income from working.

### Q. Payment Standards and Utility Allowances

The Housing Choice Voucher Payment Standards schedule is listed below. The approved Utility Allowance schedules, based on dwelling type, are also listed below.

<b>FMR/PAYMENT STANDARDS</b>					
	<b>0BR</b>	<b>1BR</b>	<b>2BR</b>	<b>3BR</b>	<b>4BR</b>
<b>FMR</b>	555	622	768	938	1,014
<b>Payment Standard</b>	555	591		1,031	1,115
<b>Exception PS</b> (Field Office approval on file)			883		

<b>UTILITY ALLOWANCES FOR APARTMENTS</b>					
<b>BEDROOM SIZE</b>	<b>0 BR</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4 BR</b>
<b>HEATING</b>					
<b>Gas</b>	18	22	28	34	39
<b>Oil</b>	27	35	48	59	68
<b>Electric</b>	19	23	32	50	57
<b>COOKING</b>					
<b>Gas</b>	3	3	4	4	5
<b>Electric</b>	3	4	5	6	9
<b>WATER</b>					
	20	24	30	36	41
<b>SEWER</b>					
	10	12	15	18	21
<b>REFRIGERATOR</b>					
	12	12	12	12	12
<b>RANGE</b>					
	10	10	10	10	10

## HOUSING CHOICE VOUCHERS

### U. Income from Assets Calculation:

The HUD-approved Passbook rate, used for purposes of determining imputed income from assets when the cash value of all assets exceeds \$5,000 is: **2.0%**

### X. Established Minimum Wage

For purposes of determining if a family member has been previously unemployed, the established minimum wage (greater of Federal, state or local) is **\$6.00 per hour**.

### Y. Minimum Rent

Minimum rent is **\$25**. When applied, minimum rent refers to the Minimum Total Tenant Payment and includes the combined amount a family pays towards rent and/or utilities.

### Z. Utility Reimbursement Payments

Utility Reimbursement Payments will be mailed to the family.

## Chapter 7 – Verification Procedures

### A. Employment Income

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- Dates of employment
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## HOUSING CHOICE VOUCHERS

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Program participants must report all changes in household composition to the PHA between annual reexaminations.

The PHA will conduct interim reexaminations when families have an increase income. Families will be required to report all increases in income and assets within 5 business days of the increase.

Participants may report a decrease in income and other changes, which would reduce the amount of tenant rent, such as an increase in allowances or deductions. The PHA must calculate the change if a decrease in income is reported.

#### D. Procedures when Changes are Reported in a Timely Manner

The PHA will notify the family and the owner of any change in the Housing Assistance Payment to be effective according to the following guidelines:

Increases in the Tenant Rent to Owner are effective on the first of the month following at least thirty days' notice.

Decreases in the Tenant Rent to Owner are effective the first of the month following that in which the change is reported. However, no rent reductions will be processed until all of the relevant facts have been verified.

Notes